Complaints against quality of Road Constructed by BRO

3597. SHRI URKHAO GWRA BRAHMA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that the ministry has received many public complaints against the Border Road Organisation for failing to maintain prescribed standard of quality while constructing the roads in Assam;

(b) whether it is also true that the monitoring system of the Government is not effective; and

(c) if so, what will be the Government's actions in this regard?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) A few complaints have been received with reference to quality of road construction by the Border Roads Organisation in Assam.

(b) and (c) No, Sir. The monitoring system is quite effective since disciplinary action has already been initiated against concerned officials.

Impact of VAT on Army canteens

3598. SHRI PRAMOD MAHAJAN:

SHRI C. PERUMAL:

Will the Minister of DEFENCE be pleased to state:

(a) what is the impact of VAT on the Army canteens throughout the country; and

(b) what steps Government of India are taking on the problems faced by these canteens, if any?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) Prior to the levy of Value Added Tax (VAT), Army Canteens had full exemption from sales tax or were levied concessioal rates of sales tax. The levy of VAT has imposed a tax on Army canteens even where exemptions in sales tax were given or concessional rates of sales tax applied. As a result, the prices of most commodities in the Army canteens have increased due to the levy of the Value Added Tax (VAT).

(b) The Government had taken up the issue of levy of VAT with the Empowered Committee of State Finance Ministers. However, the Empowered Committee has decided that there is no justification to give VAT exemption on sales for the Canteen Stores Department.